



NEWS RELEASE

CALPINE CONTACTS:

Media Relations: Kent Robertson, 408/995-5115, x2416

Investor Relations: Rick Barraza, 408/995-5115, x1125

CALPINE GEOTHERMAL PROJECTS RECOGNIZED BY CALIFORNIA FOR ENVIRONMENTAL PERFORMANCE

Department of Conservation Award is the First in Geysers History

(SAN JOSE, CALIF.) December 3, 2002 – Calpine Corporation [NYSE: CPN] today announced it has received the Outstanding Lease and Facility Maintenance Award from the California Department of Conservation for environmental cleanup, infrastructure maintenance and safety at its Geysers geothermal operations. The award marks the first time an operation within The Geysers Geothermal Resource Area, located in Northern California on the Lake and Sonoma County border, has received such recognition.

In presenting the award, the Department of Conservation's Division of Oil, Gas, and Geothermal Resources praised Calpine's investment in The Geysers and focus on improved resource enhancement and conservation, environmental compliance and overall maintenance. Calpine's philosophy of employee empowerment was also identified as contributing to environmental improvement.

"We don't give these awards to companies that merely comply with our laws and regulations," said Department of Conservation Director Darryl Young. "All operators are expected to do that. These awards are presented to those operators that have gone the extra mile in terms of effort and expense to maintain their lease in a showcase manner. Our thanks and congratulations go to Calpine and its geothermal operations."

The first Outstanding Lease and Facility Maintenance awards were issued in 1982 and, to date, the Department of Conservation has given out 106 such awards, the vast majority going to oil and gas field operations. This year's award marks the first time a Geysers operation has received the award and only the second time any company has been recognized for a geothermal facility.

"The Geysers is the world's largest geothermal facility and has long been an example and proving ground for geothermal power generation," said Calpine Vice President Dennis Gilles. "This trend has continued with Calpine's consolidation of operations within The Geysers. We are very proud of the progress we've made in a relatively short period of time, and we are appreciative of the State's recognition of so many employees' hard work. Environmental stewardship of this unique and beneficial renewable resource is something we all take very seriously."

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Calpine's ownership in power generation began with the purchase of a five percent interest in a 20-megawatt facility at The Geysers in 1989. Since then, Calpine has consolidated ownership of 19 of the 21 facilities within the geothermal resource area. As a result, Calpine is the world's largest private producer of electricity derived from geothermal resources. Further, recognizing the importance of The Geysers, Calpine is expanding and extending this renewable resource through wastewater recharge projects whereby clean reclaimed wastewater from local municipalities is recycled into the geothermal resource where it is converted into steam for electricity production. This "win-win" situation provides an environmentally sound wastewater discharge solution for neighboring cities and increases the productivity of the geothermal operation.

The award is displayed at Calpine's Geothermal Visitor Center in Middletown, California. The center offers free admission and tours of one of Calpine's Geysers facilities. For more information, please contact the center by telephone at 1-866-GEYSERS or check the Website at www.geysers.com.

Based in San Jose, Calif., Calpine Corporation is a leading independent power company that is dedicated to providing wholesale and industrial customers with clean, efficient, natural gas-fired power generation. It generates and markets power through plants it develops, owns and operates in 23 states in the United States, three provinces in Canada and in the United Kingdom. Calpine is also the world's largest producer of renewable geothermal energy, and it owns approximately 1.0 trillion cubic feet equivalent of proved natural gas reserves in Canada and the United States. The company was founded in 1984 and is publicly traded on the New York Stock Exchange under the symbol CPN. For more information about Calpine, visit its Website at www.calpine.com.